

December 16, 2011

CLERK, U.S. BANKRUPTCY COURT  
EASTERN DISTRICT OF CALIFORNIA

0003961507

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Proposed Attorneys for Debtor-in-Possession

**UNITED STATES BANKRUPTCY COURT**  
**EASTERN DISTRICT OF CALIFORNIA**  
**FRESNO DIVISION**

In re:  
M.F. GOMES AND SONS,  
Debtor-in-Possession.

Case No. 11-63345-B-11

Chapter 11

DC No. KDG-1

Emergency Hearing Date: December 15, 2011

Emergency Hearing Time: 10:30 a.m.

Final Hearing Date: January 5, 2012

Final Hearing Time: 9:00 a.m.

Place: United States Bankruptcy Court

2500 Tulare Street, Fifth Floor

Department B, Courtroom 12

Fresno, California

Judge: Honorable W. Richard Lee

**INTERIM ORDER AUTHORIZING USE OF CASH COLLATERAL**  
**AND GRANTING ADEQUATE PROTECTION**

The Emergency Motion for Use of Cash Collateral ("the Motion") filed by M.F. GOMES AND SONS ("Debtor") on December 14, 2011, came on for hearing before the Honorable W. Richard Lee, United States Bankruptcy Judge, on December 15, 2011. Hagop T. Bedoyan appeared for Debtor. Edward M. Amaral appeared for Cargill; Inc.. Robin Tubesing appeared for the Office of the United States Trustee.

The Court, having reviewed the Motion and papers filed in support of the Motion, the comments of counsel, and good cause appearing therefore,

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1 IT IS ORDERED that:

2 1. The Motion is granted on an interim basis pending a final hearing;

3 2. Debtor is authorized to use cash collateral in the amount specified in the budget  
4 attached as Exhibit "A" through December 27, 2011 ("Budget") with a ten percent (10%)  
5 variance.

6 3. Debtor is authorized to pay the pre-petition wage claims in the amounts set forth  
7 in the Budget.

8 4. Tri-Counties Bank; Valley Small Business Development Corporation; Visalia  
9 Community Bank; CNH Capital America, LLC; Bank of the West; and LOL Finance Co.  
10 (collectively "the Secured Parties") are granted the following adequate protection:

11 a. Debtor shall care for and maintain the Secured Parties' collateral;

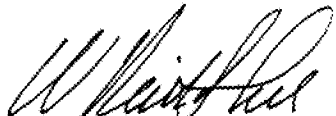
12 b. The Secured Parties shall have a replacement lien on accounts receivable  
13 and other property interests generated by Debtor of the same type and  
14 nature as existed when Debtor filed its case to the extent the use of cash  
15 collateral results in a decrease in value of the Secured Parties' interest in  
16 its collateral, and

17 c. Debtor shall make the adequate protection payments to the Secured  
18 Parties in the amounts indicated in the Budget.

19 5. Prior to the final hearing on the Motion, the Debtor shall provide the Court with  
20 a report identifying any claims entitled to priority under 11 U.S.C. Section 503(b)(9) and revise  
21 its cash collateral budget a necessary to provide for payment of all such administrative claims.

22 6. A final hearing on the Motion will be held on January 5, 2012, at 9:00 a.m. in  
23 Fresno, California. and shall be properly noticed.

24  
25 Dated: Dec 16, 2011

26  
27   
28 W. Richard Lee  
United States Bankruptcy Judge

Cash Flow Summary		
MF Gomes & Sons		
<u>MONTHLY INCREMENTS: 12/14/11-07/31/12</u>	<u>Dec 14-20, 2011</u>	<u>Dec 21-27, 2011</u>
Beginning Cash		\$ 25,214
Net Milk Check	\$ 97,235	
Excess feed sales	\$ 25,000	
Cull Income	\$ 3,850	
Calves & heifers	\$ 7,475	
Other	\$ 1,795	
<b>TOTAL CASH RECEIPTS:</b>	<b>\$ 135,355</b>	<b>\$ -</b>
Operating Disbursements by Vendor Type:		
Feed expense	\$ 35,000	
Farming expense		
Grown crops fed		
Cull replacements	\$ 7,700	
Additional replacements	\$ 25,000	
Owner's draw-Stan Gomes	\$ 4,900	
Insider gross wages	\$ 3,000	
Gross wages	\$ 6,000	
Rent		
Supplies	\$ 5,000	
Repairs & Maint	\$ 1,750	
Utilities	\$ 2,500	
Insurance	\$ 1,527	
Gas and Oil	\$ 3,650	
Vet & breeding		
Testing & trimming		
Miscellaneous	\$ 400	
<b>(i) Total Operating Disbursements by Vendor Type:</b>	<b>\$ 96,427</b>	<b>\$ -</b>
Non- Operating Disbursements:		
Taxes and licenses		
Legal & accounting	\$ -	
<b>(ii) Total Non-Operating Disbursements:</b>	<b>\$ -</b>	<b>\$ -</b>
Loan Payments:		
Tri-Counties-Real Estate <sup>a</sup>		
Tri-Counties-Herd <sup>a</sup>	\$ 10,765	
Tri-Counties-Feed <sup>a</sup>	\$ 2,355	
SBA <sup>a</sup>		
Visalia Community Bank-equipment <sup>a</sup>	\$ 499	
CNH-equipment <sup>a</sup>		
Bank of the West-equipment <sup>a</sup>	\$ 95	
Land O'Lakes Finance <sup>a</sup>		
Western Milling cattle lease		
<b>(iii) Total Loan Payments</b>	<b>\$ 13,714</b>	<b>\$ -</b>
<b>TOTAL CASH DISBURSEMENTS:</b>	<b>\$ 110,141</b>	<b>\$ -</b>
<b>AVAILABLE CASH FROM OPERATIONS THIS PERIOD:</b>	<b>\$ 25,214</b>	<b>\$ -</b>
<b>Ending Cash</b>	<b>\$ 25,214</b>	<b>\$ 25,214</b>

Notes:

<sup>a</sup> Adequate protection payments equal contractual interest payments